

# COMPENSATION COMMITTEE CHARTER

(Amended and Restated effective December 8, 2004)

## I. PURPOSE

- A. The purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of CB Richard Ellis Group, Inc. (the “**Company**”) is to assist the Board in discharging its responsibilities to the stockholders, potential stockholders and the investment community with respect to the Company’s compensation programs and compensation of the Company’s executive officers and such other non-executive employees, consultants and directors of the Company as the Committee or the Board shall deem appropriate, including performance-based and long-term compensation, as well as any other duties and responsibilities delegated to the Committee by the Board from time to time.
- B. The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company’s proxy statement, in accordance with applicable rules and regulations of the New York Stock Exchange (the “**NYSE**”), the Securities and Exchange Commission (the “**SEC**”) and other regulatory bodies.

## II. STRUCTURE AND OPERATIONS

- A. The Committee shall be comprised of at least two members of the Board, all of whom are determined by the Board to meet the independence requirements under the rules of the NYSE and the Sarbanes-Oxley Act of 2002 and the SEC rules promulgated thereunder as they may exist from time to time. All members of the Committee shall also meet the definition of “non-employee director” under Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and the definition of “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.
- B. Each member of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.
- C. Unless a Chairperson is elected by the full Board, the members of the Committee shall designate a Chairperson by majority vote of the full Committee membership. The Chairperson shall be entitled to cast a vote to resolve any ties. The Chairperson will chair all regular sessions of the Committee and set the agendas for Committee meetings.

- D. In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

### **III. MEETINGS**

- A. The Committee shall meet at least two times annually, or more often if circumstances dictate. The Chairperson of the Board or any member of the Committee may call meetings of the Committee.
- B. As part of its review and establishment of the performance criteria and compensation of designated key executives, the Committee should meet separately at least on an annual basis with the Company's Chief Executive Officer (the "CEO"), the Company's principal human resources executive, and any other corporate officers, as it deems appropriate. All meetings of the Committee may be held telephonically. The Committee may also act without meeting by securing the unanimous written consent of its members.
- C. All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. Additionally, the Committee may invite to its meetings any director, members of management of the Company or such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may *exclude* from its meetings any persons it deems appropriate in order to carry out its responsibilities. The Committee may also, at its option, *exclude* any officer or employee of the Company from any voting or deliberations of the Committee concerning his or her compensation.

### **IV. RESPONSIBILITIES AND DUTIES**

#### **A. General**

- 1. The functions set forth in subsections B through F below shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.
- 2. The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee shall have the sole authority to retain and terminate (a) independent counsel; (b) outside compensation consultants to assist in the evaluation of director, CEO or senior executive

compensation; and (c) other advisors as it determines necessary to carry out its duties, including the sole authority to approve the fees payable to such counsel or experts and any other terms of retention.

## **B. Setting Compensation for Executive Officers**

The Committee shall:

1. Establish and review the overall compensation philosophy of the Company and to take any and all actions that may be taken by the full Board with respect to the compensation of executive officers.
2. Establish and review, at least annually, the Company's general compensation policies applicable to the CEO and other executive officers, including the corporate goals and objectives relevant to the CEO and other executive officers, including annual performance objectives. The Committee's power to establish and review the compensation policies applicable to the Company's CEO and other executive officers shall be subject to any modification or veto made by a majority of the independent directors of the Company in its discretion.
3. Evaluate the performance of the CEO and other executive officers in light of these goals and objectives and, based on such evaluation, determine and approve, either as a committee or together with the other independent directors (as directed by the Board) the annual salary, bonus, stock options and other benefits, direct and indirect, of the CEO and other executive officers. In determining the compensation for the CEO and other executive officers (including any long-term incentive component), the Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to chief executive officers and other executive officers at comparable companies, and the awards given to the Company's CEO and other executive officers in past years and any other factors it deems relevant.
4. In connection with executive compensation programs:
  - a. Review and recommend to the full Board, or approve, new executive compensation programs;
  - b. Review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purposes;
  - c. Establish and periodically review policies for the administration of executive compensation programs; and

- d. Take steps to modify any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance.
5. Establish and periodically review policies in the area of senior management perquisites.
6. Consider policies and procedures pertaining to expense accounts of senior executives.
7. Review and make recommendations to the full Board, or approve, any contracts or other transactions with current or former executive officers of the Company, including consulting arrangements, employment contracts, severance or termination arrangements and loans to employees made or guaranteed by the Company.

**C. Review of Compensation for Non-executive Employees**

The Committee shall:

1. Review and make recommendations regarding the compensation of non-executive employees, directors and consultants of the Company, if and as the Company's CEO, the Board or the Committee deems appropriate.
2. Review and advise the Board concerning the performance of those other non-executive employees and consultants whose compensation is within the review jurisdiction of the Committee.

**D. Monitoring Incentive and Equity-Based Compensation Plans**

The Committee shall:

1. Review and make recommendations to the Board with respect to incentive-compensation plans and equity-based plans, and oversee the activities of the individuals responsible for administering those plans.
2. Review and approve all equity compensation plans that are not otherwise subject to the approval of the Company's stockholders.
3. Review and make recommendations to the full Board, or approve, all awards of shares or share options pursuant to the Company's equity-based plans.
4. Monitor compliance by executives with the rules and guidelines of equity-based plans.
5. Review and monitor employee pension, profit sharing and benefit plans.

6. Select, retain and/or replace, as needed, compensation and benefits consultants and other outside consultants to provide independent advice to the Committee. In that connection, in the event the Committee retains a compensation consultant, the Committee shall have the sole authority to approve such consultant's fees and other retention terms.

#### **E. Reports**

The Committee shall:

1. Prepare an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations of the NYSE, the SEC and other applicable regulatory bodies.
2. Report to the Board the matters discussed at each Committee meeting with a copy of the minutes of each such meeting being placed with the Company's minute books.
3. Report regularly to the full Board with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and with respect to such recommendations as the Committee may deem appropriate.

#### **F. Annual Performance Evaluation**

The Committee shall:

1. Review and reassess, at least annually, the adequacy of this Charter and recommend any improvements to this Charter that the Committee considers necessary or valuable.
2. Review and evaluate, at least annually, the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter.

### **V. FUNDING**

The Company shall provide appropriate funding, as determined by the Committee, for compensation to any advisors that the Committee chooses to engage. In addition to any funding necessary to compensate the outside advisors, the Company shall provide the Committee with such funding as the Committee determines is necessary or appropriate to fund any ordinary administrative expenses incurred in carrying out its duties.